

Plaintiffs' Exhibit 24

(Redacted)

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

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UNITED STATES OF AMERICA, et al,

5

PLAINTIFF,

6

-against-

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GOOGLE LLC,

8

DEFENDANT.

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Civil 1:23-cv-00108

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DEPOSITION OF RYAN PAULEY

13

New York, New York

14

Wednesday, August 23, 2023

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Reported by:

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Rebecca Schaumloffel, RPR, CLR

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JOB #: 2023-907960

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1 R. PAULEY

10:03AM 2 Does that make sense?

10:03AM 3 A. It does.

10:03AM 4 Q. Okay. Well, let me start by
10:04AM 5 asking you about your background.

10:04AM 6 Where were you born and raised?

10:04AM 7 A. I was born in Norristown,
10:04AM 8 Pennsylvania, and raised in that area.

10:04AM 9 MS. SCHER: Ryan, I'm going to
10:04AM 10 ask you to just be a little bit louder
10:04AM 11 --

10:04AM 12 THE WITNESS: Okay.

10:04AM 13 MS. SCHER: -- so that the
10:04AM 14 people at the end of the table can
10:04AM 15 hear you.

10:04AM 16 THE WITNESS: Sure.

10:04AM 17 BY MR. VERNON:

10:04AM 18 Q. Can you describe your educational
10:04AM 19 background?

10:04AM 20 A. I attended Elon University for
10:04AM 21 undergraduate degree, and Georgetown
10:04AM 22 University for a master's degree.

10:04AM 23 Q. What was your master's in?

10:04AM 24 A. Sports business.

10:04AM 25 Q. Okay. And you work for Vox today;

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10:04AM 2 is that right?

10:04AM 3 A. That's correct.

10:04AM 4 Q. What is your current title at Vox?

10:04AM 5 A. It's president of revenue and
10:04AM 6 growth.

10:04AM 7 Q. And at a high level, what are your
10:04AM 8 responsibilities in your role today?

10:04AM 9 A. I oversee all of the commercial
10:04AM 10 operations across our advertising,
10:04AM 11 subscription, commerce businesses, as well as
10:04AM 12 marketing, communications, events.

10:04AM 13 Q. When did you start working at Vox?

10:04AM 14 A. I started in 2011, April of 2011.

10:05AM 15 Q. And was that before or after you
10:05AM 16 graduated college?

10:05AM 17 A. Technically, it was before I
10:05AM 18 finished my master's degree at Georgetown,
10:05AM 19 after I had completed a degree at Elon.

10:05AM 20 Q. When you started working at Vox,
10:05AM 21 how many employees did it have, roughly?

10:05AM 22 A. About 40.

10:05AM 23 Q. Okay. So you were one of the
10:05AM 24 first ones?

10:05AM 25 A. Yes.

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10:05AM 2 Q. And can you just briefly describe
10:05AM 3 how your role and responsibilities at Vox
10:05AM 4 have evolved over time?

10:05AM 5 A. Sure. So when I started, there
10:05AM 6 was a very small company, as you noted, so I
10:05AM 7 started as a local sales intern, and
10:05AM 8 gradually have, sort of, taken on more
10:05AM 9 responsibility, started our programmatic
10:05AM 10 business in the early 2010s, oversaw ad
10:05AM 11 operations, pricing, yield, and then helped
10:06AM 12 launch the concert business in 2016.

10:06AM 13 I took over as chief revenue
10:06AM 14 officer in -- at the end of 2018, which
10:06AM 15 included, sort of, overseeing the sales, the
10:06AM 16 sales team, the creative studio, in addition
10:06AM 17 to, you know, other strategy operations
10:06AM 18 responsibilities, and within the last two
10:06AM 19 months, assumed the title of president.

10:06AM 20 Q. Was that a promotion?

10:06AM 21 A. It was.

10:06AM 22 Q. Okay. About how many years of
10:06AM 23 experience do you have at Vox with
10:06AM 24 programmatic display ads?

10:06AM 25 A. I'd say about ten years, at least.

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10:06AM 2 Q. Okay. And I'm just going to ask
10:06AM 3 you for the city.

10:06AM 4 Do you live in the New York metro
10:06AM 5 area?

10:06AM 6 A. I live in South Salem, New York,
10:06AM 7 about an hour north of the city.

10:06AM 8 Q. Okay. And do you work primarily
10:06AM 9 in New York?

10:07AM 10 A. I do.

10:07AM 11 Q. Do you regularly work anywhere
10:07AM 12 other than New York?

10:07AM 13 A. Only business travel, mostly in
10:07AM 14 the U.S.

10:07AM 15 Q. Okay. But setting business travel
10:07AM 16 aside, there is nowhere else, other than New
10:07AM 17 York, that you regularly work; is that right?

10:07AM 18 A. That's correct.

10:07AM 19 Q. Okay. All right. So let me start
10:07AM 20 with asking you some questions about AdX,
10:07AM 21 Google AdX, and then UPR.

10:07AM 22 Does that make sense?

10:07AM 23 A. Yes.

10:07AM 24 Q. Today, approximately what
10:07AM 25 percentage of Vox's programmatic display

1 R. PAULEY

2 revenue comes from Google AdX?

3 A. Today, it's about -- probably in
[REDACTED]

5 Q. Okay. How does that percentage
6 compare to the percentage for the next
7 largest exchange?

8 A. I don't know the specifics, but
9 it's meaningfully larger than the next
10 closest.

11 Q. Can you give a ballpark of about
12 how much larger AdX is compared to the next
13 largest exchange for programmatic display?

14 MS. VISSICHELLI: Objection to
15 form.

16 A. I think the next largest would be
[REDACTED]

18 Q. Okay. For Open Auction display
19 ads -- well, let me ask you this: What is a
20 take rate in the context of display ads?

21 A. What is a take rate; is that the
22 question?

23 Q. Yeah.

24 A. For an SSP, it would be the rev
25 share that the SSP takes prior to the net

1 R. PAULEY

2 revenue that the publisher makes.

3 Q. Is the take rate effectively the
4 price that an SSP or exchange charges Vox?

5 MS. VISSICHELLI: Objection to
6 form.

7 A. I would say it's the percentage of
8 the -- of a CPM that the SSP is taking prior
9 to it getting to the publisher.

10 Q. Okay. For Open Auction display
11 ads, how do Google AdX's take rates compared
12 to the take rates of other exchanges?

13 MS. VISSICHELLI: Objection to
14 form.

15 A. They are generally higher,
16 particularly for the Open Auction.

17 Q. And when you say, "they are
18 generally higher," do you mean AdX's take
19 rates are higher than other exchanges' take
20 rates or the other exchanges' take rates are
21 higher?

22 MS. VISSICHELLI: Objection to
23 form.

24 A. AdX's are higher.

25 Q. Okay. And do you know, roughly,

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2 how they compare?

3 A. The -- there is a range, as you
4 might imagine, from other partners, but AdX
5 takes a 20 percent rev share of the Open
6 Auction, and others range between anywhere
7 from 5 to 15 percent.

8 Q. Has Vox tried to negotiate for a
9 lower Open Auction take rate from AdX?

10 A. We have.

11 Q. And when Vox has tried to
12 negotiate for a lower Open Auction AdX take
13 rate, what happened?

14 A. Nothing. The take rate stayed --
15 the AdX take rate stayed the same.

16 Q. Based on your -- were you involved
17 in those negotiations?

18 A. Not directly, no.

19 Q. Did you manage those negotiations?

20 A. Managed, yeah.

21 Q. Okay. Based on your experience
22 and your involvement in managing them, why
23 has Vox not been able to negotiate for a
24 lower take rate for Open Auction from AdX?

25 MS. VISSICHELLI: Objection to

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13

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2 form.

3 A. My opinion is that there is -- we
4 have -- we, Vox Media, has limited leverage
5 in those negotiations.

6 Q. By "those negotiations," are you
7 referring to negotiations with AdX for take
8 rates?

9 A. Specifically for take rates with
10 AdX, yes.

11 Q. Why do you believe that Vox has
12 limited leverage when it's negotiating for
13 lower take rates with AdX?

14 A. Because there is no -- at Vox, we
15 don't currently have any reasonable
16 alternatives to -- for where the Open Auction
17 revenue would otherwise go, if not through
18 AdX.

19 Q. Why is that?

20 A. My opinion is that AdX has the
21 largest -- the largest share of Open Auction
22 demand, and, thus, are able to deliver the
23 most amount of revenue at competitive prices,
24 competitive CPMs.

25 Q. How do negotiations with Google's

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2 AdX compare to negotiations with other
3 exchanges?

4 MS. VISSICHELLI: Objection to
5 form.

6 A. We have -- we have been able to
7 negotiate more favorable rev shares for Vox
8 Media from other partners, typically.

9 Q. Have you also managed those
10 negotiations?

11 A. Yes. Again, not directly involved
12 but managed.

13 Q. Okay. Why is it that Vox has been
14 able to negotiate lower rev shares from
15 exchanges that were not AdX, but not been
16 able to negotiate a lower Open Auction rev
17 share for AdX?

18 MS. VISSICHELLI: Objection to
19 form.

20 A. In my opinion, I don't know the
21 direct motivations of any other SSPs. But in
22 my opinion, the -- there is -- we have other
23 alternatives for, you know, SSPs that drive a
24 smaller amount of Open Auction display
25 revenue.

1 R. PAULEY

2 Q. Okay. How did Vox use price
3 floors before UPR?

4 MS. VISSICHELLI: Objection to
5 form.

[REDACTED]

18 Q. And what is UPR, just at a very
19 high level?

20 A. Unified pricing rules was a change
21 that Google rolled out to institute, as is
22 evident in the name, sort of, one price floor
23 for all -- all programmatic partners.

24 Q. How, if at all, did UPR affect
25 Vox's ability to set different price floors

1 R. PAULEY

2 for different exchanges?

3 A. It negated the ability to set
4 different price floors for different
5 exchanges.

6 Q. I think a minute ago you said that

[REDACTED]

[REDACTED]

9 revenue.

10 Do I remember that correctly?

11 A. That's correct.

12 Q. Let me ask you some questions
13 about how that's changed over time.

14 Does that make sense?

15 A. Sure.

16 Q. Let me take you a little farther
17 back in time first.

18 How did AdX's share of Vox's
19 programmatic display revenue change between
20 before header bidding was popularized and
21 after header bidding was popularized?

22 MS. VISSICHELLI: Objection to
23 form.

24 A. I'm sorry, can you repeat the
25 question.

R. PAULEY

Q. Sure.

How did AdX's share of -- just at a high level, how did AdX's share of Vox's programmatic revenue change from before header bidding was popularized to after header bidding was popularized?

MS. VISSICHELLI: Same objection.

A. I don't have the specific percentages, but, generally, AdX's share decreased as header bidding became more prominent.

Q. And what impact, if any, did UPR have on AdX's share of Vox's programmatic display revenue?

MS. VISSICHELLI: Objection to form.

A. Post-UPR rollout, AdX's share increased.

Q. And do you have a ballpark sense of how big that increase was?

A. If I recall correctly, I think it

[REDACTED]

[REDACTED]

1 R. PAULEY

2 after.

3 Q. Okay. Are you involved either
4 personally or in a management capacity in Vox
5 doing, sort of, deals with exchanges?

6 MS. VISSICHELLI: Objection to
7 form.

8 A. Yes, through primarily a
9 management capacity.

10 Q. And can you describe the deals
11 that Vox would do with -- with an exchange?

12 MS. VISSICHELLI: Objection to
13 form.

14 A. We would do a deal outlining
15 different take rates, different rev shares
16 for different deal types for all inventory or
17 different segments of inventory.

18 Q. At a high level, what were the
19 goals for those deals?

20 A. Revenue -- revenue maximization.

21 Q. To what extent were Vox's deals
22 with exchanges designed to give those
23 exchanges a higher share of Vox's display
24 inventory?

25 MS. VISSICHELLI: Objection to

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2 form.

3 A. The -- I guess by default, the
4 intention was to increase their share or give
5 them a share if they were not a partner
6 previously. Ultimately, what we were trying
7 to optimize was the most -- the highest
8 possible price for any individual piece of
9 inventory.

10 Q. Would those deals have shifted
11 shares from AdX to other exchanges?

12 MS. VISSICHELLI: Objection to
13 form.

14 A. Potentially, in certain cases.

15 Q. Since there is an objection, let
16 me try reasking that question.

17 For the deals that Vox did with
18 other exchanges, to what extent would those
19 deals have potentially resulted in share
20 shifting from AdX to the other exchange?

21 MS. VISSICHELLI: Objection to
22 form.

23 A. They -- certain deals could have
24 resulted in -- in share moving away from AdX,
25 but not necessarily exclusively in every

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2 case.

3 Q. Why would Vox do a deal with
4 another exchange that could have the
5 potential to shift share from AdX to that
6 other exchange?

7 MS. VISSICHELLI: Objection to
8 form.

9 A. If we could generate more revenue
10 for certain pieces of inventory.

11 Q. Is part of that shifting to an
12 exchange with a lower take rate?

13 A. It could be in certain cases, yes.

14 Q. Going back to UPR, what impact, if
15 any, did UPR have on Vox's incentive to do
16 deals with exchanges other than AdX?

17 A. I don't know if it had any
18 incentive or disincentive on -- on doing
19 deals with any other exchange or partner. I
20 think it had -- it limited the revenue upside
21 of certain deals, potentially.

22 Q. Would limiting the revenue --
23 would UPR's limit on the revenue upside
24 affect those deals in any way?

25 MS. VISSICHELLI: Objection to

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2 form.

3 A. It would affect the deals insofar
4 as we may generate less revenue from certain
5 deals or certain partners than we either had
6 previously or would have expect to --
7 expected to prior to UPR.

8 Q. And would that be good or bad for
9 Vox?

10 MS. VISSICHELLI: Objection to
11 form.

12 A. That would be bad.

13 Q. Okay. So let me see if I can go
14 back.

15 So what impact, if any, would UPR
16 have on Vox's deals with exchanges other than
17 AdX?

18 A. Limit revenue potential would be
19 my general assessment.

20 Q. Okay. And what impact would that
21 have on Vox, if any?

22 A. Limit the revenue opportunity for
23 Vox.

24 Q. Okay. So I think before -- one
25 thing that you said was, after header bidding

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2 was popularized, AdX's share of Vox's
3 programmatic display revenue went down to
4 some degree; is that right?

5 MS. VISSICHELLI: Objection to
6 form.

7 A. Sorry, can you repeat that.

8 Q. Sure.

9 After header bidding was
10 popularized, I think you said before that
11 AdX's share of Vox's programmatic display
12 revenue went down to some extent; is that
13 correct?

14 MS. VISSICHELLI: Objection to
15 form.

16 A. That's correct.

17 Q. And I take it, it's also fair to
18 assume that header bidding's share went up?

19 MS. VISSICHELLI: Objection to
20 form.

21 A. That would be correct.

22 Q. When some share of Vox's
23 programmatic display revenue shifted from AdX
24 to header bidding, was that good or bad for
25 Vox?

1 R. PAULEY

2 everyone else for being here today.

3 THE WITNESS: Thank you, all.

4 THE VIDEOGRAPHER: The time is
5 5:55 p.m. We are off the record.

6
7 (Whereupon, at 5:55 p.m., the
8 Examination of this Witness was
9 concluded.)

10
11 _____
12 RYAN PAULEY

13 Subscribed and sworn to before me
14 this _____ day of _____, 2023.

15 _____
16 NOTARY PUBLIC
17
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C E R T I F I C A T E

STATE OF NEW YORK)
 : SS.:
COUNTY OF NASSAU)

I, REBECCA SCHAUMLOFFEL, a Notary
Public for and within the State of New York,
do hereby certify:

That the witness whose examination
is hereinbefore set forth was duly sworn and
that such examination is a true record of the
testimony given by that witness.

I further certify that I am not
related to any of the parties to this action
by blood or by marriage and that I am in no
way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 24th day of August, 2023.



REBECCA SCHAUMLOFFEL

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

UNITED STATES OF AMERICA, et al,

PLAINTIFF,

- against -

GOOGLE LLC,

DEFENDANT.

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Errata for August 23, 2023 Ryan Pauley Deposition Transcript

Page	Line	Change From	Change To	Reason
26	7	that.	that?	Transcription error
37	9	exists	exist	Transcription error
43	23	Vox media	Vox Media	Transcription error
44	16	publisher	publishers	Transcription error
57	23	revenues	revenues'	Transcription error
60	20-21	open Auction	Open Auction	Transcription error
61	15	How Many	how many	Transcription error
112	13	plans	plan	Transcription error

Page	Line	Change From	Change To	Reason
128	11	SP	SB	Transcription error
200	11	Fox	Vox	Transcription error

I have read the transcript of my deposition, which took place on August 23, 2023, and subscribe to its accuracy, except for the corrections and amendments noted above.

Ryan Pauley

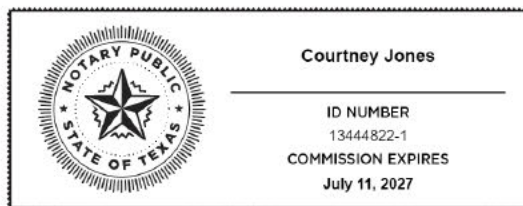
Ryan Pauley

State of Texas; County of Harris

Subscribed and sworn
to before me this

25th day of October, 2023

Courtney Jones Courtney Jones 07/11/2027
Notary Public



Notarized online using audio-video communication